able in bankruptcy and barred by the discharge, *Audubon* v. *Shufeldt,* 181 U. S. 575; *Wetmore* v. *Markoe,* 196 U. S. 68; *Thompson* v. *Thompson,* 226 U. S. 551; *Barclay* v. *Barclay,* 184 Ill. 375; that the property awarded to the wife as alimony does not become part of her estate in bankruptcy, *In re Le Claire,* (Dist. Ct. N. D. Ia., W. D. 1903) 124 Fed. 654, 658; that alimony awarded to a wife cannot be subjected to the payment of her debts existing prior to the decree of divorce, *Kingman & Co.* v. *M. A. Carter, et al.,* 8 Kan. App. 46; *Romaine* v. *Chauncey et al.,* 129 N. Y. 566; *Fickel* v. *Granger,* 83 Oh. St. 101; that alimony awarded a wife cannot be attached in an action against her, except in an action for such necessaries as the husband would have been obliged to furnish, had the marital relation continued, *West* v. *Washburn,* 138 N. Y. S. 230.

INCOME TAXES—CORPORATIONS—INTERNAL REVENUE.—A corporation owned all the stock of several subsidiary companies. A dividend was received by the main corporation from the subsidiaries. Plaintiff, Internal Revenue Collector, attempted to tax such dividend under the Income Tax Act Oct. 3, 1913, c. 16, 38 Stat. 114. *Held,* taxable as income. *Lewellyn* v. *Gulf Oil Corp.* (C. C. A. 3rd Cir. 1917) 245 Fed. 1.

Since the Sixteenth Amendment to the Constitution, which gave Congress the power to collect taxes on income from whatever source derived, was held constitutional, *Brushaber* v. *Union Pacific,* 240 U. S. 1, the question has often arisen what constitutes taxable income of corporations. In *Southern Pacific Co.* v. *Lowe,* 238 Fed. 847 it was held, where all the stock of a corporation was owned by another corporation which handled the money of the former and kept its accounts, the surplus earned by the former was nevertheless its property, so that a dividend declared was income of the holding corporation. It has been held that where property lying idle, earning no money but having increased to double its original value and sold for such increased value, that a distribution of the proceeds did not constitute a division of "income" within the meaning of the act. *Lynch* v. *Turrish,* 236 Fed. 653. Money earned as interest and distributed as dividends is without contradiction taxable income. So why not where the property lying idle increases in value and the sale price divided amongst the shareholders? If the original owners of the idle property had continued in possession and had issued stock dividends equal to the increased value of the property, no one would question that it would be taxable income. The decision in *Lynch* v. *Turrish* is to be reviewed by the Supreme Court. Income is defined to be receipts which constitute an accretion to capital and this would include increased value of idle property. The instant case holds that an ordinary dividend from accumulated earnings is income. The government cannot tax undistributed surplus as income but must wait until it is declared as dividends and paid. This is true whether the dividends be paid to a stockholder or to a holding corporation. *Union Pacific* v. *Frank,* 226 Fed. 906.

INNKEEPER—IMPLIED WARRANTY—LIABILITY FOR PERSONAL INJURY.—Plaintiff became a guest for reward at defendant's hotel. During the night fire broke out and in endeavoring to escape from the hotel, plaintiff was severely

injured. The jury found that the premises were not as safe as reasonable care and skill could make them and that the fire resulted from negligence of an independent contractor who carried out the kitchen fire scheme. *Held,* that defendant impliedly warranted that his premises were as safe as reasonable care and skill could make them, and that, as they were not, defendant was liable. *Maclenan* v. *Segar,* [1917], 2 K. B. 325.

The defense in this case relied upon the rule that the duty of an occupier towards a person who is lawfully upon the premises, is a duty to use reasonable care for the safety of that person. *Indermaur* v. *Dames,* 36 L. J. C. P. 181. The failure of defendant to inspect was not found to be negligence. The court refused to be found by *Indermaur* v. *Dames, supra,* and held defendant liable upon an implied warranty. This higher degree of liability arises whenever the occupier of premises agrees for a reward that a person shall have the right to enter and use them for a mutually contemplated purpose. In *Francis* v. *Cockrell,* 39 L. J. Q. B. 113 the proprietor of a race stand was held to have impliedly warranted that his premises were reasonably fit for the purpose for which they were to be used. This same warranty was extended to theaters. *Cox* v. *Coulson,* 85 L. J. K. B. 1081. But in the case of *Sandys* v. *Florence,* 47 L. J. Q. B. 598 the court impliedly held that a guest must prove negligence on the part of an innkeeper or his servants to recover for personal injuries. In *Walker* v. *Midland Ry. Co.,* 55 L. T. 489, the House of Lords also discussed the inn-keepers liability on the same principle though the case turned on a different point. The conflict of authority in America on the innkeeper's liability may be traced to the same error. The courts have confused the innkeeper's duty with that owed to an invitee. An innkeeper is liable for injury to a guest upon the same principle as is applicable in other cases where persons come on the premises at invitation of owner or occupant. *Patrick* v. *Springs,* 154 N. C. 270. The obligation resting upon an innkeeper to keep a guest safe is one imposed by law and does not grow out of the contract; and for a violation, the action is case, *Stanley* v. *Bircher,* 78 Mo. 245. On the other hand the innkeeper has been held to impliedly contract that a guest shall be treated with due consideration for his safety and comfort. *Clancy* v. *Barker,* 71 Neb. 83; *Lehnen* v. *E. J. Hines & Co.,* 88 Kan. 58. The The significance of this decision is well illustrated by *Stanley* v. *Bircher, supra,* where plaintiff failed in tort but could have recovered had the liability been contractual.

LIBEL AND SLANDER — QUALIFIED PRIVILEGE—INTEREST. — Plaintiffs opened an upstairs clothing store and advertised that they sold $25 clothing for $15 because they had no expensive floor rent, nor expensive show cases or windows, and that they were thus able to undersell ground floor merchants who were imposing on the public by charging in the cost of their goods their extravagant rents. The defendants who were downstairs clothiers were also advertisers in the same newspaper and in interviewing the advertising manager of such paper stated that the plaintiffs could not do business on that basis and that they would go broke and asked him to look into the matter. Plaintiffs brought suit against the defendants alleging that they wrongfully